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FM AMEMBASSY JAKARTA
TO RUEHC/SECSTATE WASHDC IMMEDIATE 1153
INFO RUEHZS/ASSOCIATION OF SOUTHEAST ASIAN NATIONS COLL PRIORITY
RUEHLMC/MILLENNIUM CHALLENGE CORP PRIORITY 0107
RUEHBJ/AMEMBASSY BEIJING 5791
RUEHBY/AMEMBASSY CANBERRA 3476
RUEHLM/AMEMBASSY COLOMBO 1558
RUEHKA/AMEMBASSY DHAKA 1547
RUEHNE/AMEMBASSY NEW DELHI 2573
RUEHUL/AMEMBASSY SEOUL 5295
RUEHKO/AMEMBASSY TOKYO 2918
RUEHWL/AMEMBASSY WELLINGTON 3397
RUEHHK/AMCONSUL HONG KONG 3218
RUEHPT/AMCONSUL PERTH 1389
RUEAWJB/DEPT OF JUSTICE WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHINGTON DC
RHMCSUU/FBI WASHINGTON DC
RHHJJPI/USPACOM HONOLULU HI

UNCLAS SECTION 01 OF 02 JAKARTA 000019

SENSITIVE
SIPDIS

DEPT FOR EAP, EAP/MTS, EAP/MLS, INL
INL FOR ROESS/BARCLAY
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DOJ/OPDAT FOR LEHAMNN/ALEXANDRE/JOHNSON
MCC FOR LONGI
SINGAPORE FOR BAKER
TREASURY FOR M.NUGGET AND T. RAND
NSC FOR E. PHU

E.O. 12958: N/A
TAGS: [PGOV](#) [KJUS](#) [KCOR](#) [ID](#)
SUBJECT: CORRUPTION PROSECUTIONS OFF TO A STRONG START IN
2009

REF: 08 JAKARTA 2177

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11. (U) This message is Sensitive but Unclassified -- Please handle accordingly.

12. (SBU) SUMMARY: Corruption prosecutions are off to a strong start in 2009 with the January 5 conviction of a sitting member of Parliament on graft charges. Meanwhile, anti-corruption results in 2008 were positive--the Corruption Eradication Commission (KPK) investigated and prosecuted a record number of corruption cases last year. The anti-corruption body also recovered over \$36.5 million in state assets, a record amount. There are concerns that corruption may ramp up during the upcoming electoral season due to all the money sloshing around. END SUMMARY.

2009 PROSECUTIONS START STRONG

13. (SBU) The GOI has netted its first major success in its anti-corruption efforts in the new year. On January 5, a sitting member of parliament, Al-Amin Nasution, was sentenced to eight years in prison and fined \$23,256 on graft charges. Nasution, who is a member of the United Development Party (a Muslim-oriented party), was the first sitting member of the Indonesian Parliament (DPR) to be convicted of corruption.

14. (SBU) In terms of specifics, the Anti-Corruption Court (ACC) found Nasution guilty of receiving \$368,000 in bribes from multiple sources. He also extorted funds in exchange for facilitating the approval of protected forest conversion

permits, and extracted favors for assisting tenders for forestry survey equipment and global positioning system (GPS). In the meantime, the GOI is moving forward with a number of other high profile prosecutions.

KEY ANTI-CORRUPTION BODY HAS A RECORD YEAR

¶5. (SBU) 2008 was a record year for GOI anti-corruption efforts. The GOI's key anti-corruption body, the KPK, returned \$36.5 million in state assets from corruption cases to Indonesia's coffers. The recovered state assets in 2008 were ten times greater than the amount recovered from corruption cases in 2007. Because the KPK only counted the state assets which were actually recovered and not assets which are flagged for recovery or pending, many of these assets were identified in 2007, but not actually recovered until 2008. Additionally, the KPK investigated and prosecuted a record number of cases in 2008.

¶6. (SBU) During the KPK's year-end conference on December 30, Chair Antasari Azhar claimed that the KPK had prevented approximately \$16 million in potential losses to the state through preventative measures. These measures and internal reforms included securing state assets to make those assets less likely to be used by potential corrupters and requiring state officials to report their wealth to the Commission.

¶7. (U) The successes of the KPK and the ACC were not echoed by the Attorney General's Office (AGO) and the general courts. According to Indonesia Corruption Watch (ICW) data, of the 444 people charged with corruption in 2008, 62% were acquitted in the general court system, from the district courts to the Supreme Court. The percentage of acquittals

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has steadily increased from 22.5% in 2005 to the current percentage. Of the 167 defendants found guilty, most were sentenced to five years or less in prison. This is in stark contrast to the Anti-Corruption Court, which has a 100% conviction rate.

CONCERNS ABOUT ELECTION SEASON

¶8. (SBU) There are concerns about an increase in corruption during the upcoming legislative and presidential election season. With thousands of candidates and millions of dollars sloshing about, there are concerns that public officials may be approached to do favors for political parties.

¶9. (SBU) For example, the Indonesian Forum for Budget Transparency (FITRA), a budgetary watchdog organization, warned the central government on January 5 that budgetary surpluses at the provincial and regional levels could be used illegally to fund legislative campaigns. The regulations regarding the distribution of these funds are poorly written. FITRA urged vigilance in monitoring the situation.

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